



COCHISE COUNTY
Cochise County Airport
780 S. Vista Ave, Willcox, Arizona 85643

FIXED-BASED OPERATOR CONTRACT
CONTRACT NO. 22-01

THIS CONTRACT (hereinafter referred to as "**CONTRACT**") is made between the **COUNTY OF COCHISE**, a political subdivision of the State of Arizona (hereinafter referred to as "**COUNTY**"), and **WILLCOX AVIATION, LLC**, 780 S. Vista Ave, Willcox, AZ 85643, a limited liability company, hereinafter referred to as "**CONTRACTOR**," collectively (the "parties") to manage the Cochise County Airport, hereinafter referred to as "AIRPORT PROPERTY" (See attached Exhibit A):

1. RESPONSIBILITIES OF THE PARTIES

A. RESPONSIBILITIES OF THE CONTRACTOR

1. Management of Airport: CONTRACTOR agrees to act as manager of the AIRPORT PROPERTY and, in that capacity, to perform reasonable, necessary, and customary duties attendant thereto, including, but not limited to, the specific duties outlined in this CONTRACT.
2. Minimum Required FBO Services: CONTRACTOR agrees to perform the following minimum services:
 - a. Maintain year-round open hours of 8:00 AM to 5:00 PM, Monday through Saturday, excluding New Year's Day, Fourth of July, Thanksgiving Day, and Christmas Day, and post public hours in a location accessible to the public.

- b.** Provide information to the public and respond to public inquiries regarding local aviation and local activities within the Willcox region.
- c.** Responsible for the testing of fuel stock upon delivery to the airport.
- d.** Provide public facilities for pilots and their passengers (i.e., flight planning amenities, waiting area, etc.) inside the FBO/Terminal building.
- e.** Assist the public with the fueling facility.
- f.** Aircraft ramp services (towing, parking guidance, etc.) during public hours.
- g.** Issuance of NOTAMs and other necessary public information involving the airport operations and status.
- h.** Aircraft storage management to include tie-down, storage, and hanger rentals.
- i.** Assign and collect fees for tie-downs.
- j.** Employment of the appropriate number of properly trained and/or certified personnel to provide satisfactory FBO service.
- k.** Complete weekly inspections of the airport area and its paved areas, lighting and landing systems, and other on-ground systems, and report any issues to the County identified from these inspections.
- l.** Submit written quarterly reports summarizing the weekly inspections listed above.
- m.** Monitor on-airport activity and report any potential safety concerns to the County for potential remedies.
- n.** Operate airport pilot lounge.
- o.** Operate airport Unicom.
- p.** Information services to pilots.

- q.** Storage and utilization of APU battery cart.
 - r.** Answering telephone during business hours.
 - s.** Routine maintenance to include mowing and weed control.
 - t.** Routine repairs costing less than \$200 per individual item.
- 3. Optional FBO Services:** Other optional services the CONTRACTOR may provide:
- a.** Aircraft repair, maintenance, and refurbishment
 - b.** Aircraft rental, chartering or leasing
 - c.** Flight training
 - d.** Air taxi and charter services
 - e.** Aircraft parts sales
 - f.** Drone/UAS services
 - g.** Pilot gift shop
 - h.** Restaurant / food services
- 4. T-Hangars Lease:** The CONTRACTOR will pay the COUNTY on an annual basis \$3,000 a year the first five years of the CONTRACT January 1, 2023 – December 31, 2027. \$3,500 the second five years of the contract January 1, 2028 – December 31, 2032, COUNTY or CONTRACTOR may, at their option, in good faith, renegotiate the terms of this lease and extend the lease period for up to two (2) additional five (5) year terms. First payment due before January 1 ,2024. The CONTRACTOR will assume responsibility of tenant management, accounting, and maintenance of the T-Hangars. Capital improvements to the T-Hangars made by the CONTRACTOR will become the property of the COUNTY during the term of the CONTRACT and upon termination of the CONTRACT. T-Hangar tenant lease rates are set and collected by the CONTRACTOR.

5. Maintenance Hangar Lease: The CONTRACTOR shall control the maintenance hangar. CONTRACTOR will assume responsibility of tenant management, accounting, and maintenance of the maintenance hangar. Capital improvements to the maintenance hangar made by the CONTRACTOR will become the property of the COUNTY during the term of the CONTRACT and upon termination of the CONTRACT. Capital improvements to the maintenance hangar shall equal or exceed \$100,000 over the next ten (10) years until expiration of the initial CONTRACT.
6. Facilities, Maintenance, and Repair Standards: CONTRACTOR agrees that maintenance, repair, and custodial services for which the CONTRACTOR is responsible pursuant to this CONTRACT shall be performed in such a manner as to ensure that the airport premises are maintained in a reasonably neat, clean, serviceable, and safe condition at all times.
7. Airport Operating Hours and Service Standards: CONTRACTOR agree to maintain year-round open hours of 8:00 AM to 5:00 PM, Monday through Saturday, excluding New Year's Day, Fourth of July, Thanksgiving Day, and Christmas Day, and post public hours in a location accessible to the public. At the CONTRACTOR'S discretion, a call-out fee may be charged to customers requiring fuel service or routine aircraft maintenance after hours. The call-out rate can be set by the CONTRACTOR.
8. Use of Fire Protection Equipment: CONTRACTOR shall become familiar with the operation, and use of the fire protection equipment located at the Cochise County Airport and shall utilize said equipment to the extent possible to control fires occurring in aircraft or elsewhere on the airport premises.
9. Inspection of Runway Lights and Beacons: CONTRACTOR shall inspect runway lights and beacons on a weekly basis, will maintain lights and change the timing on beacons as required and will notify the COUNTY immediately of any major maintenance or repair that may be required.
10. Runway Inspection and Maintenance: CONTRACTOR shall inspect all active runways on a daily basis to identify present or potentially

hazardous conditions and will perform such minor maintenance, including mowing and weed control, as may be required to maintain said runways in a safe condition for aircraft use. In the event a hazardous condition cannot be immediately corrected, the CONTRACTOR shall take such steps as may be required to prevent aircraft from using the runway until corrective action is taken. CONTRACTOR shall immediately notify the COUNTY of hazardous conditions that CONTRACTOR is unable to correct.

- 11. Fuel Sales Fee:** CONTRACTOR agrees to pay COUNTY a flowage fee for each gallon of aircraft fuel pumped by the CONTRACTOR at the Cochise County Airport during the effective term of this CONTRACT or any extension thereof. The initial flowage fee schedule shall be as follows:
 - a.** \$0.15 per gallon minimum.
 - b.** Money owed to the COUNTY pursuant to this section shall be due and payable on a quarterly basis. Payments shall be made on or before April 10, July 10, October 10, and January 10 of each year. Payment shall be accompanied by a statement showing the monthly quantity of fuel pumped by category.
 - c.** CONTRACTOR shall maintain and make available to the County on demand a record of all fuel purchased during each quarter for the effective term of this CONTRACT or any extension thereof. Terms and conditions of this section are subject to annual review and negotiation by the COUNTY and CONTRACTOR.
 - d.** Any payment not received on or before the tenth day of the first month of the quarter (January, April, July, October, if payment is made in a quarterly basis) shall accrue interest at the rate of one percent per month or fraction of a month on such unpaid balance as may be due and a late payment surcharge of one-hundred dollars (\$100.00) for each delinquent payment will be assessed. An additional \$50.00 will be assessed on all returned checks.
- 12. Insurance Requirements:** See attached Exhibit B.
- 13. Financial and Operating Records:** CONTRACTOR shall maintain complete and separate financial records for its operations at the

Cochise County Airport. For purposes of this section, operations shall include not only those activities set forth in this CONTRACT but also any other revenue or expense-generating activities carried on by CONTRACTOR at the Cochise County Airport. Copies of CONTRACTOR's annual financial and operating statements for the Cochise County Airport operation and for the corporation as a whole shall be submitted to COUNTY at the close of each fiscal year during the effective term of this CONTRACT or any extension thereof. CONTRACTOR'S financial and operating records are subject to inspection by COUNTY at any time during CONTRACTOR'S normal business hours.

14. CONTRACTOR shall pay for internet service at the terminal building.

B. RESPONSIBILITIES OF THE COUNTY:

1. Facilities and Equipment: COUNTY will provide adequate space and facilities for administrative operations, fuel service operations, customer service operations, and other duties to be performed by the CONTRACTOR pursuant to this CONTRACT. COUNTY will also provide an area, at no charge, for a home located at the AIRPORT PROPERTY to be occupied by the CONTRACTOR or CONTRACTOR'S on-site employee. Utilities and insurance costs for such home shall be borne by the CONTRACTOR.
2. Equipment: COUNTY will provide and maintain at the AIRPORT PROPERTY a tractor, mower, and UTV/ATV, and such additional equipment as the parties may agree for the CONTRACTOR'S performance of the duties set forth in this CONTRACT.
3. Utilities: COUNTY shall pay telephone, electricity, water use, and refuse service, charged as required to maintain airport operations at the current level as of the effective date of this CONTRACT. All other utility charges shall be paid by the CONTRACTOR unless otherwise agreed in writing by the parties. Any changes in airport operations or facilities that may increase COUNTY'S utility costs shall be subject to prior written approval of the COUNTY. CONTRACTOR shall reimburse COUNTY for additional utility costs incurred where such prior approval has not been obtained.

4. Runway Repairs and Maintenance: COUNTY shall maintain and repair all active runways and drainage channels along such runways, except that CONTRACTOR shall be responsible for mowing and weed control. Where CONTRACTOR observes, or otherwise becomes aware of a hazardous condition on an active runway or drainage way, it shall immediately notify the COUNTY'S Development Services Department to obtain authorization to make repairs.
5. Other Repairs and Maintenance: COUNTY shall be responsible for general repair and maintenance of airport facilities where the cost of any individual maintenance or repair item exceeds \$200.00 The scope of work required and its cost shall be subject to review and approval by COUNTY prior to COUNTY's performance of any work or payment of any charges.

2. INDEPENDENT CONTRACTOR STATUS

It is agreed and understood that the parties to this CONTRACT intend that the relationship between them is that of vendor and recipient of independent contractor services. No agent, employee, subcontractor, or officer of CONTRACTOR shall be deemed to be, in any respect or for any purpose, an employee of COUNTY. CONTRACTOR shall be solely and entirely responsible for the performance of duties as set forth herein and for its actions and those of its employees, officers, agents, or subcontractors

3. TERM OF CONTRACT

The initial term of this CONTRACT shall become effective on January 1, 2023, and shall terminate on December 31, 2032, unless otherwise terminated pursuant to this CONTRACT.

4. RENEWAL OPTION

The COUNTY or CONTRACTOR may, at their option, in good faith, renegotiate the terms of this CONTRACT and extend the contract period for up to two (2) additional five (5) year terms.

In order to exercise this option, written notice of the exercise of said option shall be provided to the COUNTY at least ninety (90) days prior to the expiration of the term of this CONTRACT.

In no event shall the total of the initial term and the optional renewal period exceed twenty (20) years.

5. TERMINATION

- A.** Upon breach of this CONTRACT by either party, the party claiming breach may terminate the CONTRACT upon 60 days' written notice to the other party. It is expressly understood and agreed that the COUNTY may determine that the CONTRACTOR has breached the CONTRACT upon COUNTY'S finding that the CONTRACTOR is financially insolvent or that CONTRACTOR'S performance of the services and duties as set forth herein has failed to meet the reasonable needs of the COUNTY or users of the Cochise County Airport.
- B.** Either party may terminate this CONTRACT for convenience with 180 days' written notice to the other party.
- C.** In the event of termination of this CONTRACT, CONTRACTOR shall have the right to remove from the AIRPORT PROPERTY all of the CONTRACTOR'S personal property, including trade fixtures, machine tools, or belongings, provided such removal can be accomplished without damage to property owned by the COUNTY.

6. INDEMNIFICATION:

COUNTY, its elected officials, agents, employees, volunteers, or contractors and their employees shall not be liable to CONTRACTOR. CONTRACTOR hereby waives all claims, damages, losses, and fines against COUNTY, its elected officials, agents, employees, volunteers or contractors, and their employees for any injury or damage to any person or property in or about the airport property by or from any cause whatsoever, except injury or damage to CONTRACTOR resulting from the sole negligent acts or omissions of COUNTY, its elected officials, agents, employees, volunteers or contractors and their employees. Further, the CONTRACTOR assumes all risk of personal or financial loss arising from this CONTRACT.

CONTRACTOR shall hold COUNTY, its elected officials, agents, employees, volunteers and contractors, and their employees harmless from and defend them against any and all claims of damages, losses, or liabilities for incidental or consequential loss or claim and any injury or damage to any person or

property whatsoever occurring in, on or about any part of the AIRPORT PROPERTY when that injury, damage, loss, or liability arose from or was caused in part or in whole by any act, neglect, fault of or omission of any duty by the CONTRACTOR, its agents, servants, employees, participants, students, or invitees.

7. RECONTRACT AND DISCHARGE:

COUNTY shall not be responsible for and assumes no liability arising from vandalism, fire, smoke, theft, damage, or loss to CONTRACTOR'S property, including, without limitation, the aircraft or any other items unless such vandalism, fire, smoke, theft, damage, or loss is solely the fault of COUNTY. CONTRACTOR hereby CONTRACTS and discharges COUNTY from all claims, damages, losses, liabilities, and demands by CONTRACTOR for loss of or damage to CONTRACTOR's person, employees, property, income, or profit.

8. INSPECTION OF PREMISES BY COUNTY:

The COUNTY representatives shall, at any reasonable time, have the right to enter any portion of the AIRPORT PROPERTY to inspect said premises to protect the COUNTY's rights.

9. COMMERCIAL ACTIVITY:

CONTRACTOR shall not conduct any commercial activity on AIRPORT PROPERTY unless such activities are pursuant to a separate written CONTRACT signed by both CONTRACTOR and COUNTY.

10. ALTERATIONS:

CONTRACTOR shall not make or cause to be made any alterations or improvements to the AIRPORT PROPERTY, including modifications or alterations of the building or the building's electrical installations or equipment, without first securing the written consent of the Development Services Director. The Development Services Director may impose restrictions upon any proposed alterations or improvements. All such alterations or improvements shall comply with Airport Policy and all applicable building, zoning, and fire codes. Upon the termination of this CONTRACT, the CONTRACTOR shall return the buildings to COUNTY in substantially the same

condition as the AIRPORT PROPERTY that existed at the commencement of this CONTRACT.

11. TAXES AND ASSESSMENTS:

The CONTRACTOR shall pay and discharge all taxes, assessments, rates and license fees, including but without limiting, the foregoing water, gas, waste disposal, electricity, and other utility rates and assessments which may at any time arise during the term of this CONTRACT, by or according to any law or government be taxed, charged, levied, assessed or imposed upon or against, or which shall become a lien against the AIRPORT PROPERTY or upon any building or improvement located thereon, as a result of the use of the AIRPORT PROPERTY by the CONTRACTOR under this CONTRACT.

However, in no event shall the CONTRACTOR be required to discharge or pay any tax, assessment, or other charge which may be levied upon the real property of the COUNTY while the AIRPORT PROPERTY is under the management of the CONTRACTOR.

The CONTRACTOR shall pay all taxes on all their own personal property, including structures, tools, equipment, and all other items owned by them that become subject to such taxes during the term of this CONTRACT.

12. RULES AND REGULATIONS:

The entire area under the management of the CONTRACTOR shall be kept in a clean and sanitary condition. All operations shall be conducted in accordance with existing laws, rules, and regulations, promulgated by law and the COUNTY for the operation of the Airport Facility as an operating unit, and no nuisance of any kind shall be permitted to be carried on upon the AIRPORT PROPERTY.

13. MATERIAL BREACH OR DEFAULT:

The occurrence of any of the following, which shall include but not be limited to, constitute a material breach or default of this CONTRACT by CONTRACTOR:

- A. Failure to pay rent or flow rate under this CONTRACT when due.
- B. Except as otherwise specifically provided in this CONTRACT, failure to perform any other provision of this CONTRACT, if the failure to perform is

not cured, at the sole discretion of COUNTY, within ten (10) days after notice of the failure has been given to CONTRACTOR. If the breach or default cannot be reasonably cured within ten (10) days, CONTRACTOR shall not be in breach or default of this CONTRACT if CONTRACTOR commences to cure the breach or default within the ten (10) day period and diligently and in good faith continues to cure the default.

- C. At the sole discretion of the COUNTY, performing any work, services, operations, or functions not the subject of or intent of this CONTRACT or within the scope of this CONTRACT.
- D. At the sole discretion of the COUNTY, failure to operate, perform work or services, or maintain the AIRPORT PROPERTY in a safe and environmentally sound manner.

COUNTY, at any time after CONTRACTOR commits a material breach or default of this CONTRACT, may elect to cure the breach, or treat CONTRACTOR as being in default, in either instance at CONTRACTOR's cost. Upon failure of CONTRACTOR to pay rent or flow rate when due, COUNTY may immediately or at any time thereafter, until all rent or flow rate and late fees are paid, treat the CONTRACTOR as being in default, and terminate the CONTRACT. If COUNTY, at any time, by reason of CONTRACTOR's breach or default, pays any sum or does any act that requires the payment of any sum, the sum paid by COUNTY shall be due immediately from CONTRACTOR to COUNTY at the time the sum is paid.

14. NOTICES:

Any notice of contract breach, termination, renewal or default is required to be given under this CONTRACT shall be in writing and shall be deemed properly delivered, given, or served when personally delivered to the Development Services Director or to CONTRACTOR, or in lieu of such personal service, sent by United States mail, addressed to CONTRACTOR at P.O. Box 747, Willcox, AZ 85643 (602) 644-1890 as CONTRACTOR's mailing address and to COUNTY as follows: Cochise County, Attention Development Services Director, 1415 Melody Lane, Bldg. F, Bisbee, AZ 85603; (520) 432-9268.

In the event of personal service, notice shall be deemed given when personally served. In the event of service by certified or registered mail, notice shall be deemed to have been given seventy-two (72) hours after deposit of same in

the United States mail post box, postage prepaid, addressed as set forth above, or upon the date of the signed return receipt, whichever is sooner. In the event of service by express overnight mail, notice shall be deemed to have been given forty-eight (48) hours after deposit of same with carrier. CONTRACTOR shall keep his current mailing address and telephone number on file with the Development Services Director during the term of this CONTRACT and shall notify the COUNTY in writing within fifteen (15) days of any change of address or telephone number.

All other communications between COUNTY and CONTRACTOR required of this contract, to include reports, maintenance requests, improvement requests/approvals, and contract amendments maybe be delivered via email. CONTRACTOR and COUNTY will maintain current email addresses. The recipient will confirm receipt via email REPLY.

15. CONDITION AND OPERATIONS OF THE CONTRACTED PREMISES:

- A. It is agreed that the CONTRACTOR, during the existence of this CONTRACT, may make any alterations, additions, or erect signs only with the written approval of the COUNTY.
- B. The CONTRACTOR agrees to abide by all laws and orders governing the operation of the Cochise County Airport.
- C. The CONTRACTOR hereby agrees not to sublet the premises or assign this CONTRACT without the written permission of the COUNTY, which shall not be unreasonably withheld.

16. RULES AND REGULATIONS REQUIRED UNDER CONTRACTS AT AIRPORTS AFFECTED BY GRANT AGREEMENTS:

- A. CONTRACTOR, in the operations to be conducted pursuant to the provisions of this CONTRACT and otherwise in the use of the airport, will not discriminate or permit discrimination against any person or class of persons by reason of race, color, creed, or national origin in any manner prohibited by Part 15 of the Federal Aviation Regulations or any amendments thereto.

- B. The COUNTY reserves the right to develop further or improve the landing area of the airport as it sees fit, regardless of the desire or view of the CONTRACTOR, and without hindrance or interference.
- C. The COUNTY reserves the right, but shall not be obligated to the CONTRACTOR, to maintain and keep in repair the landing area of the airport and all publicly owned facilities of the airport, together with the right to direct and control all activities of the CONTRACTOR in this regard.
- D. There is hereby reserved to the COUNTY, for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the surface of the AIRPORT PROPERTY. This public right of flight shall include the right to cause in airspace any noise inherent in the operation of any aircraft used for navigation or flight through the said airspace, landing at and/or taking off from or operating on the Cochise County Airport at Willcox, Arizona.
- E. CONTRACTOR, by accepting this CONTRACT, agrees that CONTRACTOR will not use the AIRPORT PROPERTY in any manner that will interfere with the landing and taking off of aircraft from the Cochise County Airport at Willcox, Arizona, or otherwise create a hazard. If this covenant is breached, the COUNTY reserves the right to enter the AIRPORT PROPERTY and remove the interference at the expense of the CONTRACTOR.
- F. It is understood and agreed that nothing herein contained shall be construed to authorize the granting of an exclusive right regarding the type of services that might be provided.

17. DEFAULT BY CONTRACTOR:

If the CONTRACTOR defaults on the payment of rent or in the performance of any of the other covenants herein contained, and if such default continues for a period of thirty (30) days after written notice thereof by the COUNTY to the CONTRACTOR, this CONTRACT shall, at the option of the COUNTY, be terminated without further notice or demand of any kind whatsoever. In such event, the CONTRACTOR does hereby agree to deliver peaceful possession of the AIRPORT PROPERTY to the COUNTY and does hereby authorize the COUNTY to reenter the AIRPORT PROPERTY and take lawful and peaceful possession thereof and to pursue any other legal remedies for damages arising out of the CONTRACTOR's default.

18. NON-DISCRIMINATION:

The parties shall comply with all applicable state and federal statutes and regulations governing Equal Employment Opportunity, Non-Discrimination, and Immigration. Reference: Governor of Arizona Executive Order No. 2005-30, dated 10/28/05.

19. CONFLICT OF INTEREST:

This CONTRACT is subject to cancellation pursuant to Arizona Revised Statutes (A.R.S.) § 38-511 regarding Conflict of Interest.

20. INSPECTION AND AUDIT:

The parties agree to keep all books, accounts, reports, files, and other records relating to this CONTRACT for five (5) years after the completion of this CONTRACT. In addition, the parties agree that such books, accounts, reports, files, and other records shall be subject to audit pursuant to A.R.S. § 35-214.

21. ARBITRATION:

The parties agree that any dispute arising under this CONTRACT involving the sum of \$50,000 or less in monetary damages only shall be resolved by arbitration pursuant to A.R.S. § 12-1501 et. seq. The decision of the arbitrator(s) shall be final.

22. PUBLIC RECORDS LAW:

Notwithstanding any confidentiality provisions in this CONTRACT to the contrary, disclosure of any documents or records is subject to the public records provisions of Arizona law, A.R.S. § 39-121 et. seq.

23. JURISDICTION AND LAWS:

Notwithstanding any provision in this CONTRACT to the contrary, the CONTRACT shall be governed by Arizona law, and jurisdiction shall be in Arizona courts with venue in Cochise County, Arizona.

24. IMMIGRATION LAWS:

CONTRACTOR hereby warrants that it will at all times during the term of this CONTRACT comply with all federal immigration laws applicable to CONTRACTOR's employment of its employees and with the requirements of A.R.S. § 23-214(A) (together the "State and Federal Immigration Laws"). CONTRACTOR shall further ensure that each sub-Contractor who performs any work for the CONTRACTOR under this CONTRACT likewise complies with the State and Federal Immigration Laws.

25. ENTIRE CONTRACT:

This CONTRACT contains all the representations and the entire understanding and agreement between the parties pertaining to the management of the AIRPORT PROPERTY or any other matters connected therewith. All correspondence, memoranda, or oral or written agreements pertaining to the AIRPORT PROPERTY or the parties hereto, which originated before the date of this CONTRACT are null, void and no longer in force and with no effect, and are replaced in total with this CONTRACT unless otherwise expressly stated in this CONTRACT. This CONTRACT shall not be altered, amended, or modified except by a writing signed by COUNTY and CONTRACTOR.

26. DATE OF CONTRACT:

The date of this CONTRACT shall be that date that it shall have been signed by the parties hereto.

27. APPROVAL

IN WITNESS WHEREOF, the parties have caused this CONTRACT to be signed by their duly authorized representatives.

CONTRACTOR:

WILLCOX AVIATION, LLC, FLIGHT FUNDAMENTALS, Inc. - F.F.I.

Michael Wear
Owner

Date

COUNTY:

COCHISE COUNTY

Ann English, Chair
Board of Supervisors

Date

ATTEST:

APPROVED AS TO FORM:

Tim Mattix, Clerk
Cochise County Board of Supervisors

Paul Correa

Paul Correa, Civil Deputy
Cochise County Attorney's Office

Exhibit B

Insurance Requirements

Indemnity: CONTRACTOR agrees to defend, indemnify and hold harmless COUNTY from and against all claims, liability, and action and all expenses, including attorney's fees, expert witnesses, and litigation costs, based upon or arising out of damages or injuries to any persons or their property, caused by the negligence, actions or omissions of CONTRACTOR, in the use of occupancy of the premises by CONTRACTOR at all times, CONTRACTOR shall maintain insurance as required in Exhibit "B" to this CONTRACT.

Liability Insurance: CONTRACTOR agrees to carry and keep in force at its own expense during the term of this CONTRACT, aircraft liability insurance and public liability insurance covering personal injury and property damage, and other such insurance as may be necessary to protect COUNTY herein from such claims and actions aforesaid. COUNTY reserves the right to restrict CONTRACTOR from conducting any activity or storing flammable materials or substances, which would increase COUNTY's insurance rate or cause an insurance CONTRACT of COUNTY to be canceled. CONTRACTOR shall furnish COUNTY a certificate of insurance or other satisfactory evidence on January 1 of each year that CONTRACTOR has such insurance policy, including limits and expiration. Such a certificate shall provide for thirty (30) days prior written notice of cancellation to COUNTY and state that COUNTY is an additional insured. The insurance coverages stated shall be adjusted by CONTRACTOR at the request of COUNTY. Any such adjustment shall be based upon current industry standards at the time of the adjustment. CONTRACTOR shall post a notice visible to the public as to whether or not pilots who CONTRACTOR's aircraft are covered by insurance, type of insurance, and extent of coverage, including who will pay any deductible amounts.

Worker's Compensation Insurance: CONTRACTOR shall procure and maintain worker's compensation insurance for all of its employees engaged in work under the terms of this CONTRACT. CONTRACTOR shall provide a certificate of such insurance on January 1 of each year, in a form satisfactory to COUNTY, evidencing fulfillment of this requirement. The following limits are required:

Commercial General Liability – Occurrence From
Policy shall include bodily injury, property damage, personal injury and broad form contractual liability

- General Aggregate - \$1,000,000
- Products – Completed Operations Aggregate - \$1,000,000
- Personal and Advertising Injury - \$1,000,000
- Blanket Contractual Liability – Written and Oral - \$1,000,000
- Fire Legal Liability - \$50,000
- Each Occurrence - \$1,000,000

Business Automobile Liability

Bodily Injury and Property Damage for any owned, hired, and/or non-owned vehicles used in the performance of this Contract.

Combined Single Limit (CSL) - \$500,000

The policy shall be endorsed to include the following additional insured language: "The County of Cochise, its departments, agencies, boards, commissions and its officers, officials, agents, and employees shall be named as additional insured's with respect to liability arising out of the activities performed by or on behalf of the Contractor, involving automobiles, Contracted, hired, or borrowed by the Contractor.

Hanger Keepers Liability - \$200,000